

Information Services Corporation
OF SASKATCHEWAN

Annual Report 2008

Information Services Corporation (ISC) is the provincial Crown corporation responsible for the administration of land titles, geographic information systems (GIS), vital statistics, surveys, mapping and interests in personal property.

ISC was formed as a corporation in January 2000, but has a history that predates the province itself. ISC provides valued customer-focused services such as the Land Registry, the Saskatchewan Personal Property Registry (SPPR), the Survey Plan Registry, the Vital Statistics Registry and Geomatics services to customers inside and outside of Saskatchewan.

ISC's Vision

ISC delivers quality and customer-driven information management, services and solutions. Our people are a key strength in providing innovative, profitable operations, responsible growth and community value.

ISC's Values

Integrity

We treat our customers, shareholder, stakeholders, suppliers and each other with integrity at all times, with respect in our actions, and honesty and openness in our communication.

Excellence

We provide quality service and products to our customers and stakeholders in a professional, accurate and timely manner that will exceed their expectations.

Customer Focus

We are reliable in the delivery of our services and proactively respond to the needs of our customers.

Accountability

We are accountable to our customers, stakeholders, shareholder, suppliers and each other for our work, our actions and the services we provide.

Commitment to People

We foster a healthy and supportive environment, leverage diversity and promote mental, physical and social well-being.

Leadership

We provide clear direction, lead change and celebrate success.

Letter of Transmittal 1

Message from the Minister 2

Message from the Board Chair 3

Message from the President 4

2008 Year at a Glance 6

Management's Discussion and Analysis 8
- Financial Performance 8
- 2008 Financial Results 10
- Looking Ahead 12
- Financial Performance Targets 13

Financial Results 15
- Management's Responsibility for Financial Statements 15
- Auditors' Report 16
- Financial Statements 17
- Notes to the Financial Statements 20

Balanced Scorecard 27
- Management's Representation on the Schedule of Performance Information 27
- Schedule of Performance Information 28
- Balanced Scorecard 29

Risk Management 35

Corporate Governance 36
- Authority and Mandate 36
- Board of Directors 38
- Board Committees 39
- Board Governance Practices and Management Standards 41

ISC Executive 45

Regina, Saskatchewan
March 31, 2009

To His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of Information Services Corporation (ISC) for the year ended December 31, 2008, in accordance with *The Crown Corporations Act, 1993*. The financial statements are in the form approved by the Treasury Board, and duly certified by auditors for the corporation.



Ken Cheveldayoff
Minister of Crown Corporations



It continues to be an exciting, rewarding time for Crown Investments Corporation (CIC) and its 12 subsidiary Crown corporations. Three Crowns were recognized for excellence in diversity by *Maclean's* magazine. In addition, six Crowns were among Saskatchewan's Top 15 Employers for 2009, as selected by the editors of *Canada's Top 100 Employers*. I take pride in the fact that our Crowns' workforces reflect our communities and are recognized as exceptional places to work.

ISC had another outstanding year of business in 2008 and was recognized as one of Saskatchewan's Top 15 Employers. ISC's success stems from a commitment to being a customer-driven corporation. In October 2008, ISC broadened its registry services with the addition of the Vital Statistics Registry. The corporation also announced two fee reductions to help Saskatchewan families save money during land transactions. And, ISC maintained consistent turnaround times amidst record high volumes, allowing customers to complete real estate transactions quickly and in turn support the thriving real estate market in our province.

My priority for the future remains the same: to ensure that Saskatchewan's Crown corporations remain publicly owned and provide high quality services at a low cost. This is a promise our Government made to the people of Saskatchewan, and it is a promise we will keep. A current theme in the Crown sector that I expect to continue is growth. By that I mean the changes required within the Crowns to sustain and support Saskatchewan's economic momentum. These changes range from investing in new infrastructure to expanding various services in line with the demand from both our residential and business communities.

Our new Saskatchewan First investment policy for the Crowns also reflects this theme. The policy recognizes that our growing economy presents increasing opportunity for investing in our own province. We will continue to move in that direction.

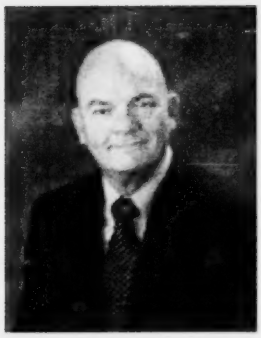
This is an exciting time for ISC, and the company is focused and prepared for the future. ISC will continue to work on internal efficiencies in order to deliver even greater customer service levels to Saskatchewan people. And, ISC's corporate goal to attract, retain and invest in diverse, high performing, talented Saskatchewan people will ensure ISC's success.

As you will see in this report, our Crown sector is financially healthy and ready to meet the challenges and opportunities of the coming years.

I am pleased to present ISC's 2008 Annual Report.

Ken Cheveldayoff

Ken Cheveldayoff
Minister of Crown Corporations



During my first year as Board Chair, ISC repeatedly demonstrated its strengths in the areas of financial management and customer service. I would like to extend my congratulations to ISC for another excellent year financially and operationally.

ISC can be commended for its continued commitment to put customers first. ISC maintains constant communication with customer sectors to ensure their needs are proactively being addressed and met. With this kind of focus, it is not surprising that customers gave ISC a high customer satisfaction rating of 89.7 per cent in 2008.

2008 was an especially exciting year for ISC, as Vital Statistics was welcomed to the team. Thank you to the great people at Vital Statistics and ISC who contributed to the seamless transfer. The new employees have already demonstrated exceptional customer service, proving they are a fine fit with ISC.

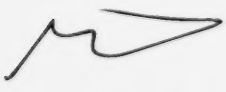
ISC's success and strength as a corporation is due to its hard working and dedicated employees. ISC has an important goal to put people first and continually strives to attract and retain Saskatchewan's best and brightest by focusing on creating a diverse, inclusive and positive culture. Their efforts are clearly working, as ISC proudly received the distinction as one of Saskatchewan's Top 15 Employers.

One of the Board's most significant tasks in 2008 was participating in the selection of ISC's new President and CEO. I would like to take this opportunity to pay tribute to former Acting President and CEO Scott Hodson for his commitment to ISC's success through his relentless customer focus and strong leadership skills. We also appreciate Jeff Stusek's willingness to assume Scott's role in the interim. Jeff displayed passion, intelligence and confidence while leading ISC during the transition. After an extensive search, the Board was pleased that Jeff Stusek was the successful candidate. As President and CEO, Jeff exhibits an inclusive leadership style and maintains a resilient focus on business excellence and innovation. I am confident that his experience, energy and knowledge of ISC will be the catalyst to build on our past success. It is great to have him on board.

ISC also successfully filled the other vacant executive positions in 2008. I am pleased to welcome the newly established executive team and look forward to working with them:

- Ken Budzak: Vice-President, Operations
- Bryan Burnett: Vice-President, Marketing and Business Development
- Charlene Gavel: Vice-President, Finance and Administration
- Kathy Hillman-Weir: General Manager, Corporate Affairs and General Counsel

Along with the 2008 Board, I thank all ISC employees, customers, shareholder, union and partners for your dedication and passion to continuously improving ISC. This is an exciting time for the corporation, and I look forward to further establishing ISC as a leader in customer-driven information management, services and solutions in 2009.



Grant Gayton
Board Chair



During my first year as President and CEO of ISC, I am proud of the fact that we're on solid footing, supported by a sound and proven foundation, even amidst a volatile real estate market. One of my objectives in 2008 was to provide clarity about who ISC is, what services we provide to Saskatchewan people and where we're going as a company. All of our hard work has contributed to ISC growing into a company with strong competencies in information management, information services and information solutions. Our expertise in these areas, combined with our focus on providing a great customer experience, contributed to a successful 2008.

Over the last five years, ISC has made significant strides in improving its financial position. The strong economy, especially rising property values and increased activity in the oil and gas sector, has been reflected in ISC's strong profits in recent years. ISC saw strong revenues again in 2008 with a net income of $23.4 million, compared with $23.0 million in 2007. ISC has committed to pay a maximum dividend of $21.1 million to our shareholder – our second payment in ISC's history and significantly higher than 2007's $8.0 million contribution. We are proud to be in a position to give back to our province. We also paid down all but $13.5 million of our long-term debt. Our corporate financial goal is to balance profit, investment, growth and returns to stakeholders to maximize our continuing contribution to the province.

ISC is committed to being a customer-driven corporation. Everything we do starts and ends with the customer in mind, and 2008 was no exception. ISC provided reliable and responsive services to customers and leveraged these relationships to ensure long-term success. For example, we implemented the Customer User Forum in 2008 to complement our existing working groups. Together, they allow us to achieve a sound understanding of how our customers do business, anticipate their future needs and improve their experiences with ISC's services. In 2008, these communication channels prompted many online service enhancements, which save our customers time and money.

ISC continued to target internal efficiencies in 2008, focusing on cost management and efficient processes. Our focus on efficiency and excellent service levels in turn helps our customers. They consistently tell us that turnaround times are essential to their business. Despite another year of record high volumes – approximately 10,000 more transactions than 2007 – ISC continued to deliver one of the fastest turnaround times in Canada for standard real estate transactions and set an internal record, averaging 0.84 business days in 2008. During a very busy year, our customers were able to complete real estate transactions quickly, supporting the thriving real estate market in our province.

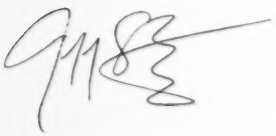
ISC continues to listen to our customers and to address their needs. During customer consultations in spring 2008, customers identified that they want predictability in pricing and do not want to see changes in fees driven by fluctuations in the Saskatchewan economy. Even though the real estate market was turbulent in 2008, ISC was pleased to announce two fee reductions. Combined, they will save Saskatchewan people approximately $4.7 million annually. These changes demonstrate ISC's commitment to ensure fees are fair and sustainable over the long term.

ISC strives to leverage our significant registry expertise and existing infrastructure to ensure continuing success. In October, we broadened our registry services and assumed responsibility for the Vital Statistics Registry from the Ministry of Health. ISC plans to make investments to enhance the efficiency, security and customer service of the registry. We are proud to offer Saskatchewan people an improved, more secure level of service.

We are also honoured to have been named one of Saskatchewan's Top 15 Employers in 2008. ISC knows that our success comes from our people. That is why we're focused on creating a positive, engaging and healthy work environment to ensure we retain Saskatchewan's best and brightest. ISC boasts some of Saskatchewan's most talented individuals. We are committed to creating a representative workforce, as it reflects Saskatchewan and our customers' diversity and provides our business with more perspectives, ideas and talent. Our organization's work environment promotes performance, but also encourages work/life balance and an inclusive culture.

In the coming years, we will continue to watch the real estate market closely. Our focus will be on providing consistent and predictable turnaround times, regardless of volume spikes. In 2009, we will again review our fees to ensure we are providing excellent service and good value to our customers.

Our commitment to our people and our customers will continue as ISC seeks to further establish our place in the province's information landscape as an innovative Crown corporation that Saskatchewan can be proud of.



Jeff Stusek
President and Chief Executive Officer

2008 Highlights

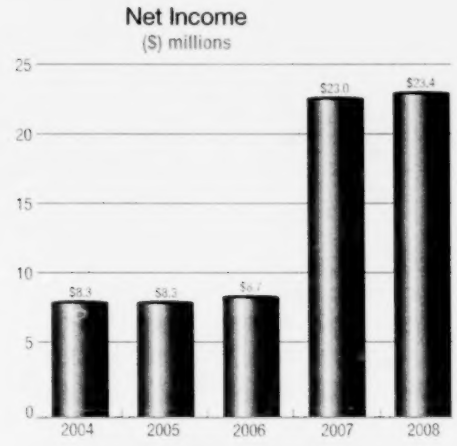
- Even though the real estate market cooled in 2008, ISC had another record year of volumes – transactions increased 4.3 per cent over 2007 – and maintained a strong financial position with a net income of $23.4 million.

- During ISC's second year of record volumes, we exceeded our service targets by achieving an average turnaround time of 0.84 business days for land transactions – one of the fastest turnaround times in Canada.

- Customer consultations in spring 2008 resulted in two sets of sustainable fee changes being announced that benefit Saskatchewan families in marriage, divorce and estate planning situations:
  - the August 2008 fee eliminations will save Saskatchewan people approximately $2.9 million annually;
  - the January 2009 fee reductions will save Saskatchewan people approximately $1.8 million annually.

- ISC has committed to pay a maximum dividend of $21.1 million to our shareholder. This is the second payment in ISC's history and significantly higher than 2007's $8.0 million contribution.

Financial and Operating Highlights





79.9%	Land Registry
12.9%	Personal Property Registry
2.4%	Plan Processing
1.9%	Geomatics
1.9%	New Products and Services
0.9%	Other



41.7%	Wages and Salaries
22.5%	Amortization
17.2%	Information Technology Services
8.0%	Facilities, Office and Equipment
4.0%	Professional Services
2.4%	Business and Promotion
2.3%	Financial Services
1.9%	Other

Vital Statistics Registry

ISC is pleased to have welcomed the Vital Statistics Registry and its employees to our ISC family in October 2008. Thanks to the combined hard work and dedication of Vital Statistics and ISC employees, the registry transferred seamlessly from the Ministry of Health to ISC with no break in service.

The Vital Statistics Registry is a province-wide system for registering and recording births, stillbirths, adoptions, deaths, marriages (including divorces and annulments) and changes of name. Employees also issue certificates as legal proof of these vital events and provide statistical information for agencies and the public. ISC's core business is registry services, so it was a natural fit at ISC with our significant registry and customer service expertise.

This transfer benefits Saskatchewan people in many ways. ISC is applying its registry expertise to modernize the records management system, improve record security and disaster recovery and provide customers with enhanced access to, and efficiency of, the registry. Our investment plans are focused on enhancing Vital Statistics' services and ensuring positive customer experiences.

ISC Named One of Saskatchewan's Top 15 Employers in 2008

ISC strives to be an employer of choice by putting our people first. We are clearly on the right track, as, in 2008, we were named one of Saskatchewan's Top 15 Employers.

Employers are evaluated by the same criteria as Canada's Top 100 Employers, including factors such as physical workplace, atmosphere, benefits, training and community involvement. ISC was selected for offering progressive and forward-thinking programs, such as exceptional parental leave top-up, alternative work options and tuition subsidies to encourage employees to pursue non-job-related education.

Another one of our winning features is ISC's commitment to create a diverse workforce. ISC has a Diversity and Equity Working Group that promotes cultural events and encourages employee participation and cultural understanding. It is also mandatory for all employees to take cultural awareness training. And, in order to provide Saskatchewan university graduates with career opportunities and experience, ISC supports the Gradworks program, particularly focusing on employing people of Aboriginal ancestry.

ISC also actively participates in the National Quality Institute's Progressive Excellence Program and incorporates business excellence and healthy workplace practices into our culture. ISC is focused on implementing best practices in all areas of our business and healthy workplace initiatives that focus on all elements constituting a healthy employee, including their physical, mental, spiritual and emotional sides.

ISC is proud to be a company recognized for good people practices.

The Management's Discussion and Analysis highlights the primary factors that have an impact on operations and the financial results of Information Services Corporation (ISC) for the year ended December 31, 2008. It provides management's perspective of the corporation for the previous 12 months. It should be read in conjunction with the audited financial statements and accompanying notes that have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

This discussion contains forward-looking statements based on the corporation's estimates and assumptions concerning future results and events. Due to the risks and uncertainties inherent in any forecasted outlook, the actual results of the corporation could differ from those anticipated.

Corporate Profile

ISC is the provincial Crown corporation responsible for the administration of land titles, geographic information systems (GIS), vital statistics, surveys, mapping and interests in personal property.

ISC has established itself as the trusted and secure provider of four of Saskatchewan's critical public registries: the Land Registry, the Saskatchewan Personal Property Registry (SPPR), the Survey Plan Registry and the Vital Statistics Registry.

Financial Performance

ISC's strategic goal for financial excellence is balancing profit, investment, growth and returns to stakeholders to maximize the long-term contribution to the province, resulting in achievement of appropriate returns, alignment of capital structure and provision of a dividend to our shareholder.

ISC's financial strategy has been developed to support these plans, with an emphasis on controlling or limiting expenses while ensuring service excellence. Through strong financial management, it is ISC's objective to balance the needs of the company's shareholder and meet the requirements of the corporation.

ISC's financial strategy has been developed to:

- sustain a balanced statement of operations, coupled with a continued commitment to controlling operating costs for core services;
- provide ISC customers with exceptional value through ISC's products and services, ensuring the company's pricing is both fair and competitive;
- provide an appropriate and sustainable return on investment;
- establish a long-term capital plan to support new opportunities and the renewal of existing infrastructure;
- leverage ISC's assets and core operations to maximize the company's capital structure; and
- contribute financially to the prosperity of Saskatchewan by issuing a strong, sustainable dividend payment.

Five Year Financial Summary

(in millions)

	2008	2007	2006	2005	2004
STATEMENT OF OPERATIONS					
Revenues					
Land registry	53.0	50.3	36.9	35.0	33.9
Personal property registry	8.6	8.3	7.7	7.4	6.8
Plan processing	1.6	1.2	1.0	1.0	0.9
Geomatics	1.3	1.6	1.7	2.1	2.4
New products and services	1.3	0.8	0.2	–	–
Other	0.6	0.4	0.2	0.3	0.1
	66.4	62.5	47.8	45.8	44.1
Expenses					
Operating expenses	32.8	29.5	28.3	27.2	24.3
Amortization	9.7	9.2	9.1	8.5	9.4
Interest expense/other	0.6	0.8	1.6	1.8	2.1
	43.0	39.5	39.0	37.5	35.8
Net Income	23.4	23.0	8.7	8.3	8.3
STATEMENT OF FINANCIAL POSITION					
Assets					
Current assets	9.6	12.7	3.9	4.8	4.3
Property, plant and equipment	31.1	33.6	37.3	41.3	44.4
Other assets	0.4	0.5	1.0	1.3	1.5
	41.1	46.8	42.2	47.4	50.2
Liabilities & Province's Equity					
Current liabilities	11.1	7.0	5.1	5.3	4.3
Short-term borrowings	–	–	13.0	9.0	21.0
Long-term debt	13.5	13.5	12.4	30.0	30.0
Other liabilities	0.4	0.5	0.6	0.8	0.9
Contributed surplus	–	–	–	–	3.0
Equity advances	–	12.0	12.0	12.0	12.0
Retained earnings	16.1	13.7	(0.9)	(9.7)	(21.0)
	41.1	46.8	42.2	47.4	50.2
STATEMENT OF CASH FLOWS					
Cash provided by operating activities	34.6	32.3	18.0	17.7	17.3
Cash used in investing activities	(7.3)	(5.5)	(5.1)	(5.6)	(4.6)
Cash used in financing activities	(30.4)	(17.9)	(13.6)	(12.0)	(11.9)
Cash, end of year	7.4	10.5	1.5	2.2	2.1
FINANCIAL INDICATORS					
Dividend	90.0%	34.7%	0.0%	0.0%	0.0%
Return on Assets	53.2%	51.7%	19.5%	17.0%	15.9%
Debt Ratio	39.3%	42.4%	69.6%	108.0%	130.0%

2008 Financial Results

ISC's financial performance was enhanced by Saskatchewan's strong real estate market. ISC's 2008 results show a strong return, low debt and payment of a 90 per cent dividend. As well, ISC implemented a number of fee decreases that took effect in August 2008.

ISC's core operations performed well, despite the heightened level of activity in the real estate market over the past two years. ISC responded to the demands of increased volumes and maintained service standards, while delivering services in increasingly efficient ways and focusing on maintaining costs.

($) millions	2008	2007
Revenues	66.4	62.5
Expenses	43.0	39.5
Net Income	23.4	23.0

Revenue

ISC's revenue for 2008 increased to $66.4 million from $62.5 million in 2007. The rise in earnings was due to a strong economy and a vibrant real estate market, resulting in high transaction volumes and increased property values throughout the province.

The rise in revenue was largely due to registry revenue and plan processing totalling $63.2 million, up from $59.8 million in 2007. We expect a slowdown in activity in 2009, marked by a decrease of $6.3 million in total revenue.



79.9% Land Registry

12.9% Personal Property Registry

2.4% Plan Processing

1.9% Geomatics

1.9% New Products and Services

0.9% Other

Expenses

ISC's expenses for 2008 were $43.0 million, up from $39.5 million in 2007. Of this amount, $17.9 million went to wages and salaries; $9.7 million for amortization; $7.4 million for information technology services; $3.5 million for facilities, office and equipment; $1.7 million for professional services; $1.0 million for both business promotion and financial services; and $0.8 million for other expenses.





Liquidity

ISC was able to fund all operations, capital expenditures, an equity payment and dividend payments with cash generated from its operations.

Cash provided by operating activities:

Year ended Dec. 31	2008 ($) millions	2007 ($) millions	Change ($) millions	Change %
	34.6	32.3	2.3	7.1

Cash provided by operations was $34.6 million, up $2.3 million from 2007, due to increased revenues, amortization and working capital. Working capital changes resulted in an increase in cash of $1.4 million over 2007 due to increases in deferred revenue, customer deposits and accounts payable.

Cash used by investing activities:

Year ended Dec. 31	2008 ($) millions	2007 ($) millions	Change ($) millions	Change %
	7.3	5.5	1.8	32.7

In 2008, cash used in investing activities was up by $1.8 million, primarily due to projects related to leasehold improvements and growth in existing lines of business.

Cash used by financing activities:

Year ended Dec. 31	2008 ($) millions	2007 ($) millions	Change ($) millions	Change %
	30.4	17.9	12.5	69.8

Cash used in financing activities was $30.4 million, significantly up from 2007, primarily due to the retraction of the Crown Investments Corporation (CIC) equity advance of $12.0 million. Payment to CIC was made in December

Dividends

In 2008, ISC followed through on its corporate goal of paying to our shareholder a 90 per cent dividend, which amounted to $21.1 million.

Financial Targets

In 2008, ISC achieved a debt ratio of 39.3 per cent and a return on assets of 53.2 per cent as compared with the targeted 34.7 per cent and 32.0 per cent respectively.

Looking Ahead

In the last five years, ISC has made significant strides to improve its financial position and to provide reliable and responsive services to our customers. Our strengths in customer service, financial management and product innovation have put the company on very solid footing and in a position to take on new and exciting challenges in the future.

Revenue

Housing demand in Saskatchewan is beginning to slow as a result of escalating prices and the shift of speculators from buyers to sellers. Although 2008 revenue has finished higher than 2007, prices in 2009 are expected to increase by a very modest 3.0 per cent, while volumes are expected to decrease by 7.5 per cent, resulting in lower revenue targets.

Other existing lines of business, including Saskatchewan Personal Property Registry (SPPR) and Geomatics and Plan Processing, will remain solid contributors to revenue income. Increased revenue in existing lines of business is anticipated to be $1.0 million on an annual basis, with the majority in the registry service.

Expenses

The focus on efficiency and cost containment will continue and be carefully managed to not diminish the solid operating performance that ISC demonstrates. ISC's five-year financial strategy is based on incremental reductions in annual core operating expenses through product and service process efficiencies, resourcing efficiencies and system enhancements. Key drivers of the corporation's expenses are employee costs, amortization and technology costs.

Capital Investment Portfolio

ISC has identified business opportunities as a strategic imperative. ISC's business plan assumes that investments of $10.0 million will be undertaken in 2009. These initiatives will add incremental and sustainable returns to the corporation, while supporting provincial economic development.

Financial Performance Targets

The key aspects of ISC's financial plan include cost containment, achieving projected revenue from new opportunities and providing an appropriate return to the shareholder. All of these aspects are monitored in ISC's Balanced Scorecard.

Long-range targets are as follows:

Measure	2009	2010	2011	2012	2013
Return on equity (Long-term target is 64%)	100.4%	77.7%	64.1%	57.2%	62.0%
Debt ratio (Long-term target is 40%)	44.4%	42.2%	40.5%	39.0%	37.5%
Annual new growth revenue	$2.3M	$5.2M	$7.4M	$9.4M	$10.1M
Core operating costs, excl. amortization and interest (year-over-year per cent change)	5.9%	5.6%	5.3%	4.6%	2.2%
Growth operating costs, excl. amortization and interest (per cent of total operating costs)	7.1%	12.8%	16.5%	19.2%	20.0%

Return on Equity

In the past, ISC has employed return on assets (ROA) as a performance metric. The use of ROA was necessitated by the lack of positive shareholder equity during the early years as ISC established its operations. Now that ISC has restored its capitalization and is experiencing a positive equity balance, the company is recommending using a return on equity (ROE) measure to be adopted, as it represents a more comprehensive measure of profitability.

Capital structure and benchmark research supports a ROE target substantially higher than many of the other Crown corporations, given the high cash flow nature of ISC's business. Based on this research and ISC's five-year financial plan, ISC has set a long-term target of 64 per cent, projected to be met in 2011.

In the interim, ISC's ROE remains high at a projected level of 100.4 per cent in 2009. Due to losses when ISC was first established, a retained earnings deficit accumulated on the balance sheet. This deficit was eliminated in 2007 and is now positive, which inflates the ROE calculation. As ISC's equity base grows, its ROE will decline toward the long-term target level.

Debt Ratio

ISC has set a long-term debt ratio target of 40 per cent, which reflects the cash intensity of ISC's operations expected to be attained in 2011.

ISC has sufficient cash projected to cover its capital plan over the medium term without additional borrowing. As a result, ISC's debt ratio is projected to continue to decline below the long-term target as equity grows and no additional debt is taken on. However, should ISC require debt in the future due to market changes or capital needs, a 40 per cent debt ratio represents a sustainable level of debt.

Annual New Growth Revenue

2009 revenue growth targets are expected to be $2.3 million. Many of the growth-related initiatives will support economic growth and both private and public sector business in Saskatchewan.

Core Operating Costs

The measure of change in year-over-year core operating cost (exclusive of amortization and interest) will continue to monitor the efforts of implementing efficiencies in ISC's core processes and is expected to reflect a reduction in the rate of increase year-over-year, demonstrating the company's commitment to a profitable and efficient organization.

ISC's primary cost drivers include employee-related expenses and technology costs. The corporation's goal is to ensure that the year-over-year increase in these and other operating costs declines over time, and this is tracked in the Balanced Scorecard. ISC plans to meet this goal through its focus on operational efficiency.

Growth Operating Costs

This is a new measure being implemented for 2009. It is a measurement of cost efficiency and sustainability that includes costs related to ISC's new opportunities. As the organization focuses on growing, there still needs to be a disciplined approach to spending to ensure that profit margins are maximized.

Dividends

Given ISC's strong financial position and proximity to attaining its long-term debt ratio and ROE targets, we project the capacity to provide a 90 per cent dividend payout over the five-year financial planning horizon. In 2009, this equates to a dividend of $15.3 million. Although this projection is less than the 2008 dividend of $21.1 million (90 per cent payout) – due to the real estate market beginning to stabilize – it exceeds the $8.0 million provided in 2007.

Debt and Borrowing

ISC projects sufficient earnings over the five-year planning horizon to fund its capital needs without additional borrowing. ISC currently carries $13.5 million in long-term debt, equating to a 44.4 per cent debt ratio in 2009. This level of debt is substantially in line with the proposed long-term target of 40 per cent.

Capital Investment Portfolio

ISC's strategic plan has identified business opportunities as a strategic imperative. ISC's proposed 2009 capital plan includes $4.0 million for sustaining re-investment and $6.0 million for new initiatives. These initiatives will add incremental and sustainable returns to the corporation while supporting provincial economic development.

Future Accounting Changes – International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises, including the corporation, will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The corporation has commenced an IFRS conversion project including initiating the development of a high-level IFRS implementation plan. An external advisor has been engaged by the corporation to assist with the development of this plan and to perform a detailed review of major differences between current Canadian GAAP and IFRS. Work is in the early stages and, as a result, the impact on the corporation's future financial position and results of operations is not reasonably determined.

Management's Responsibility for Financial Statements

The accompanying financial statements included in the Annual Report of Information Services Corporation are the responsibility of corporate management.

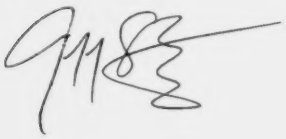
Management has prepared financial statements in accordance with Canadian generally accepted accounting principles (GAAP) and necessarily includes some amounts based on informed judgment and management estimates. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

The financial statements have been audited by the independent firm of Meyers Norris Penny LLP, Chartered Accountants.

Management maintains an appropriate system of internal controls, policies and procedures to ensure the integrity and objectivity of the financial information. These measures provide reasonable assurance that all financial transactions are recorded and executed in compliance with required authority, assets are safeguarded and reliable financial records are maintained.

The Board of Directors met with management and the external auditor to review the corporation's financial statements and adequacy of internal controls and to discuss the audit results. The Board of Directors has approved these financial statements.

February 2, 2009



Jeff Stusek
President and Chief Executive Officer



Charlene Gavel
Chief Financial Officer

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of **Information Services Corporation of Saskatchewan** as at December 31, 2008 and the statements of operations and comprehensive income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Information Services Corporation of Saskatchewan as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Regina, Saskatchewan
February 2, 2009

Chartered Accountants

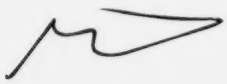
statement of financial position

as of December 31, 2008

($) Thousands	2008	2007
CURRENT ASSETS		
Cash	$ 7,392	$ 10,455
Accounts receivable	1,742	1,671
Grant receivable from CIC (Note 3)	98	142
Inventories	132	153
Prepaid expenses	226	284
	9,590	12,705
GRANT RECEIVABLE FROM CIC (Note 3)	448	537
CAPITAL ASSETS (Note 4)	31,079	33,586
	41,117	46,828
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	2,751	2,314
Customer deposits	2,668	2,439
Dividends payable	4,655	2,000
Deferred revenue	889	156
Provision for early retirement plan (Note 3)	98	113
	11,061	7,022
PROVISION FOR EARLY RETIREMENT PLAN (Note 3)	448	537
LONG-TERM DEBT (Note 5)	13,547	13,547
	25,056	21,106
PROVINCE OF SASKATCHEWAN'S EQUITY		
Equity advances (Note 6)	-	12,000
Retained earnings	16,061	13,722
	16,061	25,722
	$ 41,117	$ 46,828

See accompanying notes to financial statements

APPROVED BY THE BOARD:



Grant Gayton
Director



Larry Hiles
Director

statement of operations and comprehensive income

for the year ended December 31, 2008

($) Thousands	2008	2007
REVENUES		
Land registry	**$ 53,048**	$ 50,252
Personal property registry	**8,588**	8,284
Plan processing	**1,583**	1,243
Geomatics	**1,282**	1,595
New products and services	**1,275**	826
Other	**615**	373
	66,391	62,573
EXPENSES		
Wages and salaries	**17,942**	16,545
Amortization (Note 4)	**9,665**	9,218
Information technology services	**7,375**	6,563
Facilities, office and equipment	**3,460**	3,170
Professional services	**1,737**	1,635
Business and promotion expenses	**1,024**	904
Financial services	**984**	627
Interest	**561**	833
Insurance and assurance (Note 2e)	**252**	52
	43,000	39,547
NET INCOME	**23,391**	23,026
Other comprehensive income	**-**	-
COMPREHENSIVE INCOME	$ 23,391	$ 23,026

See accompanying notes to financial statements

statement of retained earnings

for the year ended December 31, 2008

($) Thousands	2008	2007
RETAINED EARNINGS		
Balance, beginning of year	**$ 13,722**	$ (942)
Net Income	**23,391**	23,026
Transitional adjustment to retained earnings (Note 7)	**-**	(362)
Dividends	**(21,052)**	(8,000)
Balance, end of year	$ 16,061	$ 13,722

See accompanying notes to financial statements

statement of cash flows

year ended December 31, 2008

($) Thousands	2008	2007
OPERATING		
Net income	$ 23,391	$ 23,026
Add: Charges not affecting cash		
Amortization of capital assets (Note 4)	9,665	9,218
Loss on Disposal	142	-
	33,198	32,244
Net change in non-cash working capital items (Note 11)	1,436	56
	34,634	32,300
INVESTING		
Additions to property, plant and equipment and other intangible assets	(7,321)	(5,526)
Proceeds from disposal of assets	21	-
	(7,300)	(5,526)
FINANCING		
Proceeds from long-term debt	-	1,146
Repayment of short-term debt	-	(13,000)
Dividends paid	(18,397)	(6,000)
CIC Equity advance retraction (Note 6)	(12,000)	-
	(30,397)	(17,854)
(DECREASE) INCREASE IN CASH	(3,063)	8,920
CASH, BEGINNING OF YEAR	10,455	1,535
CASH, END OF YEAR	$ 7,392	$ 10,455
Cash interest paid during the year	$ 561	$ 817

See accompanying notes to financial statements

notes to the financial statements

December 31, 2008
(thousands)

1. STATUS OF THE CORPORATION

Information Services Corporation (the "Corporation") is a Saskatchewan Provincial Crown Corporation operating under the authority of *The Crown Corporations Act, 1993* and *The Land Information Services Facilitation Act*.

The Corporation's mandate includes operating Saskatchewan's land titles system and integrating that system with the Provincial survey, mapping and geographic information systems, and operating the province's Personal Property Registry (PPR).

Pursuant to Order in Council #685/2008, responsibility for the administration of the Vital Statistics Registry was transferred from the Ministry of Health to the Corporation effective October 12, 2008.

Pursuant to Order in Council #688/2008, the Corporation's Constating Order in Council was amended to include responsibility for the Vital Statistics Registry, to transfer the assets and liabilities of the Vital Statistics Registry from the Ministry of Health to the Corporation and to provide the Corporation with the authority to impose fees, taxes, rates and other charges for services provided by the Vital Statistics Registry.

By virtue of *The Crown Corporations Act, 1993*, the Corporation has been designated as a subsidiary of Crown Investments Corporation ("CIC"). Accordingly, its financial results are included in the consolidated financial statements of CIC. As a provincial Crown corporation, it is not subject to federal or provincial income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

a) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimations as amortization of capital assets is based on estimated useful life. In terms of property, plant and equipment, the actual useful life may fluctuate based on the individual capital asset and, as a result, the use of estimates is the best method to quantify impact to the Corporation.

b) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the average cost basis. In the case of work in process, cost includes direct labour and materials.

c) Capital assets

LAND development costs

Development costs associated with the LAND Project were capitalized. Costs include materials, services, direct labour, interest and overhead costs, which were readily identifiable with the project, as well as amortization of property, plant and equipment used in the LAND Project. Interest capitalized on the project amounted to $2,217. Amortization is calculated on the straight-line basis over the system's estimated useful life at the rates disclosed in Note 4. The Corporation evaluates the recoverability of these costs based upon the expected future undiscounted cash flows from the LAND System. Development and enhancements to the LAND system occurring after the completion of the original LAND project are reflected as property, plant and equipment and other intangible assets (Note 4).

Property, plant and equipment and other intangible assets

Property, plant and equipment and other intangible assets are recorded at cost, less accumulated amortization and any provision for impairment. Amortization is calculated using the straight-line method over their estimated useful lives. The costs of maintenance, repairs, renewals or replacements, which do not extend the productive life of an asset, are charged to operations when incurred. The Corporation evaluates the recoverability of these assets based upon the expected future undiscounted cash flows from the related assets.

d) Revenue recognition

Revenues from land registry, personal property registry, geomatics and plan processing are recognized in the accounts when services are rendered. Amounts received in advance of geomatics services being performed are reflected as deferred revenue and are recorded as revenue when services are rendered. Amounts received from customers in advance are reflected as customer deposits and are recorded as revenue when services are rendered.

e) Assurance and fee mitigation claims

Management's estimate of liability for assurance and fee mitigation is based on claims submitted to the Corporation, which is included in accounts payable and accrued liabilities.

notes to the financial statements

December 31, 2008
(thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Employees' future benefits

A defined contribution pension plan and a defined benefit pension plan are available for all eligible employees. The Corporation's obligation under the defined contribution plan is limited to contributions made for current service. When made, these contributions are charged to income. The obligation under the defined benefit pension plan is the responsibility of the General Revenue Fund (GRF).

g) Changes in accounting policies

Effective January 1, 2008, the Corporation adopted the accounting recommendations for capital disclosures (Canadian Institute of Chartered Accountants (CICA) Handbook Section 1535) in accordance with the transition provisions of the section. This section requires disclosure of information related to the objectives, policies and processes for managing capital, and particularly whether externally imposed capital requirements have been complied with. As this standard only addresses disclosure requirements, there is no impact on the Corporation's operating results.

Effective January 1, 2008, the Corporation adopted the accounting recommendations for financial instruments – disclosures (CICA Handbook Section 3862) and financial instruments – presentation (CICA Handbook Section 3863) in accordance with the transition provisions of the sections. These sections replace the existing disclosure and presentation recommendations contained in financial instruments – disclosure and presentation (CICA Handbook Section 3861). The new disclosure standards increase the disclosures related to financial instruments, and the nature, extent and management of the Corporation's risks arising from financial instruments.

The presentation standards carry forward unchanged from the former presentation requirements. As these standards only address disclosure and presentation requirements, there is no impact on the Corporation's operating results.

Effective January 1, 2008, the Corporation adopted the accounting recommendations for inventories (CICA Handbook 3031). The new recommendations establish standards for the determination of the cost of inventories and the subsequent recognition as expense, including any write-down to net realizable value and reversals of previous write-downs for increases to net realizable value. There is no material impact on the Corporation's operating results as a result of implementing the new recommendations.

h) Financial instruments

In addition to recognizing all stand-alone derivative financial instruments at fair value, CICA Handbook Section 3855 requires embedded derivatives, which are components included in a non-derivative host contract that have features similar to derivatives, to be accounted for separately when their economic characteristics and risks are not closely related to the host instrument and the combined contract is not recorded at fair value. These embedded derivatives are measured at fair value with subsequent changes recorded in the statements of operations. The Corporation selected January 1, 2003 as the transition date to apply fair value accounting for embedded derivatives. The Corporation has determined that it does not have any significant embedded derivatives that are required to be accounted for separately.

The following is a summary of the Corporation's financial instruments, their classification and measurement basis and the financial statement impact of adopting the new standards:

- Cash is classified as held-for-trading (HFT) and is measured at fair value.
- Accounts receivable and grant receivable are classified as loans and receivables (LAR) and are measured at amortized cost using the effective interest method.
- Accounts payable, other short-term financial liabilities, provision for early retirement plan and long-term debt are classified as other liabilities (OL) and are measured at amortized cost using the effective interest method.

i) Comprehensive income

CICA Handbook Section 1530, Comprehensive Income, establishes standard for the reporting and display of comprehensive income. The Corporation does not have any items that required separate recognition outside of net income and as such a separate statement of accumulated comprehensive income has not been prepared.

j) Equity

CICA Handbook Section 3251, Equity, establishes standard for the presentation of equity and changes in equity during the reporting period. The requirements in Section 3251 are in addition to Section 1530.

notes to the financial statements

December 31, 2008
(thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Recent accounting pronouncements

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises, including the Corporation, will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Corporation has commenced an IFRS conversion project including initiating the development of a high level IFRS implementation plan. An external advisor has been engaged by the Corporation to assist with the development of this plan and to perform a detailed review of major differences between Canadian GAAP and IFRS. Work is in the early stages and, as a result, the impact on the Corporation's future financial position and results of operations is not reasonably determined.

3. GRANTS FROM CIC

Order-in-Council #590/2001 authorized CIC to provide a grant to the Corporation in an amount not exceeding $5,400 to fund the retirement costs associated with Land Titles employees who experienced job loss as a result of the LAND Project. The estimated cost of the retirement option amounting to $4,395 was recorded in 2002.

During the year, $103 (2007 - $116) was paid to employees. At December 31, 2008, $546 (2007 - $650) is recorded in the accounts to provide for the outstanding amounts that management estimates will become payable with respect to eligible employees in future years, with $98 (2007 - $113) expected to become due within the next twelve months.

4. CAPITAL ASSETS

	Years	Cost	Accumulated Amortization	Net Book Value 2008	Net Book Value 2007
Property, plant and equipment					
Server and network	5	$ 6,656	$ 6,650	**$ 6**	$ 12
Leasehold improvements	10	7,409	3,053	**4,356**	4,187
Office furniture	10	2,738	657	**2,081**	1,045
Office equipment	5	359	204	**155**	177
Hardware	3	2,134	1,721	**413**	607
		$ 19,296	$ 12,285	**$ 7,011**	$ 6,028
LAND development costs					
Data conversion	15	$ 17,262	$ 7,475	**$ 9,787**	$ 10,937
LAND development	7	30,685	30,643	**42**	4,426
		$ 47,947	$ 38,118	**$ 9,829**	$ 15,363
Intangible assets					
Software	3	$ 668	$ 520	**$ 148**	$ 126
Geographic information system	5	6,705	6,685	**20**	42
System enhancements	5-7	17,415	7,275	**10,140**	8,252
Other	3-5	1,177	1,177	**-**	25
Assets under development		3,931	-	**3,931**	3,750
		$ 29,896	$ 15,657	**$ 14,239**	$ 12,195
		$ 97,139	$ 66,060	**$ 31,079**	$ 33,586

Assets under development at December 31, 2008 include system enhancements relating to LAND system, GIS infrastructure, GeoSask Portal, Mineral Cadastral and the transition of Vital Statistics.

	2008	2007
Amortization		
Property, plant and equipment	**$ 1,369**	$ 1,092
LAND development costs	**5,534**	5,664
Intangible assets	**2,762**	2,462
	$ 9,665	$ 9,218

notes to the financial statements

December 31, 2008
(thousands)

5. LONG-TERM DEBT

	2008	2007
Long-term debt from the GRF, due November 3, 2011, bearing interest at 4.15% per annum. Interest is paid semi-annually.	$ 9,935	$ 9,935
Long-term debt from the GRF, due December 1, 2011, bearing interest at 4.04% per annum. Interest is paid semi-annually.	2,466	2,466
Long-term debt from the GRF, due February 2, 2012, bearing interest at 4.28% per annum. Interest is paid semi-annually.	1,146	1,146
	$ 13,547	$ 13,547

Interest on long-term debt paid during 2008 is $561 (2007 - $557).

6. EQUITY ADVANCE AND CAPITAL DISCLOSURES

a) Equity Advance

As a Saskatchewan Provincial Crown Corporation, the Corporation received an advance from CIC to form its equity capitalization. The advance reflected an equity investment in the Corporation by CIC. In December 2008, CIC Board of Directors approved the retraction of CIC's $12,000 equity advance in the Corporation. The $12,000 payment was made to CIC in December.

b) Capital Disclosures

The Corporation's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of the Corporation and to ensure adequate returns to the shareholder.

The capital structure is determined in conjunction with the shareholder based on the approved business plan.

The Corporation's capital consists of long-term debt from the GRF and the average equity included in retained earnings. The Corporation monitors capital on the basis of debt ratio. The debt ratio is calculated as total debt divided by capitalization.

	2008	2007
Long-term debt	$ 13,547	$ 13,547
Average equity	20,892	18,390
Capitalization	$ 34,439	$ 31,937
Debt Ratio	39.3%	42.4%

7. DEFERRED EXPENSES

As of January 1, 2007, CICA Handbook Section 3070, Deferred Charges were withdrawn upon the adoption of Section 3855, Financial Instruments – Recognition and Measurement. The impact was a decrease in the Deferred Expenses balance and a decrease in 2007 Opening Retained Earnings of $362.

notes to the financial statements

December 31, 2008
(thousands)

8. RISK MANAGEMENT

The Corporation does not use any form of derivative financial instruments to manage its exposure to credit risk, interest rate risk or market risk.

a) Credit risk

The Corporation does have significant concentration of credit risk among government sectors. Its customers are predominantly provincial, federal and municipal government departments and agencies, and its private sector customers are diverse.

The Corporation's maximum credit risk to which it is exposed is $1,700. Quarterly reviews of the aged receivables are completed. Historically, the Corporation has not written off a significant portion of its accounts receivable balances.

b) Interest rate risk

The interest rates on long-term debt from the Province of Saskatchewan are fixed and as a result of these fixed interest rates, the Corporation is not exposed to the fluctuations in interest rates driven by the economy. Therefore, this risk to the Corporation is low.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Corporation's cash resources are managed based on financial forecasts and anticipated cash flows.

The following summarizes the contractual maturities for the Corporation's financial liabilities at December 31, 2008:

	Carrying Amount	Contractual Cash Flows	0 – 6 Months	7 – 12 Months	1 – 2 Years	3 – 5 Years	More than 5 Years
Long-term debt	$ 13,547	$ 15,258	$ 281	$ 281	$ 562	$ 14,134	$ -
Accounts payable and accrued liabilities	5,965	5,965	5,468	49	99	197	152
Dividend payable	4,655	4,655	4,655	-	-	-	-
	$ 24,167	$ 25,878	$ 10,404	$ 330	$ 661	$ 14,331	$ 152

Contractual cash flows for long-term debt include principal and interest payments but exclude sinking fund installments.

d) Market risk

The Corporation is exposed to market risk primarily in terms of revenue generation. The revenues are driven by property volumes and prices which have increased with the growth and strength of the Saskatchewan economy. The Corporation monitors the market conditions in an effort to capture fluctuations that may affect the ongoing revenue.

e) Fair value risk

The carrying values of cash, accounts receivable, grant receivable from CIC, short-term debt, accounts payable and accrued liabilities approximate fair value due to their immediate or relatively short-term maturity. The fair value of long-term debt is based on publicly quoted market values for similar instruments.

f) Financial instruments

		December 31, 2008		December 31, 2007	
	Classification	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	HFT	$ 7,392	$ 7,392	$ 10,455	$ 10,455
Accounts receivable	LAR	2,288	2,288	2,350	2,350
Financial Liabilities					
Accounts payable and accrued liabilities	OL	$ 5,965	$ 5,965	$ 5,403	$ 5,403
Dividend payable	OL	4,655	4,655	2,000	2,000
Long-term debt	OL	13,547	14,283	13,547	13,844

notes to the financial statements

December 31, 2008
(thousands)

9. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at agreed upon exchange amounts under normal trade terms. Prior to implementation of the LAND System, some related parties were not charged for search and registration activities; all related party transactions under the new LAND System are at legislated prices. These transactions and amounts outstanding at year end, not separately disclosed in the financial statements, are as follows:

	2008	2007
Accounts receivable	$ 708	$ 686
Grant receivable from CIC	546	679
Accounts payable & accrued liabilities	295	308
Deferred revenue	858	63

Operations for the year:

	2008	2007
Revenues	$ 2,323	$ 2,432
Expenses	2,778	3,468
Costs capitalized-property, plant and equipment	43	69

In addition, the Corporation pays provincial sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

The Corporation and the Ministry of Energy and Resources entered into an agreement under which the Government of Saskatchewan is liable to make expenditures in the amount of $1,500 for the purpose of funding the construction of the Mineral Administration and Registration Saskatchewan System.

10. COMMITMENTS AND CONTINGENCIES

The Corporation leases all of its office space through operating leases.

Future minimum payments for leasing of office space and for service agreements with EDS and ISM include the following amounts over the next five years:

	Office Leases	Service Agreements	Total
2009	$ 1,593	$ 4,917	$ 6,510
2010	1,637	3,509	5,146
2011	654	3,509	4,163
2012	436	3,509	3,945
2013	406	3,509	3,915
Thereafter	2,538	98	2,636
	$ 7,264	$ 19,051	$ 26,315

In addition to the amount shown above for service agreements, the Corporation expects to finalize a five-year agreement with ISM with an estimated amount of $17,400 (excluding applicable taxes).

The Land Titles Act 2000 contains an assurance provision that allows customers to recover losses due to the errors or omissions of the Registrar. In the course of its normal operations, the Corporation is subject to a number of claims and legal actions that may be made by customers pursuant to the assurance provision. Management's estimate of liability is based upon claims submitted. No provision is recorded for unreported claims.

notes to the financial statements

December 31, 2008
(thousands)

11. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The net change during the year comprised the following:

	2008	2007
Accounts receivable	$ (71)	$ (48)
Grant receivable from CIC	133	116
Inventories	21	217
Prepaid expenses	58	(39)
Accounts payable and accrued liabilities	437	(202)
Customer deposits	229	131
Deferred revenue	733	(3)
Provision for early retirement plan	(104)	(116)
	$ 1,436	$ 56

12. PENSION EXPENSE

All employees are participants in defined contribution or defined benefit pension plans. Employees hired after October 1, 1977 make contributions to *The Public Employees Pension Plan* ("PEPP"), a defined contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* and the Corporation matches employee contributions.

Employees hired prior to October 1, 1977, who did not elect to transfer to PEPP by October 1, 1978, make contributions to The Public Service Superannuation Plan ("PSSP"), a defined benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the GRF.

The total pension costs of the Corporation for the year were $1,103 (2007 - $1,017).

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

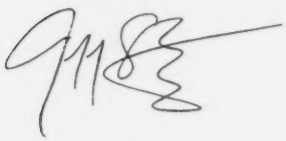
Management's Representation on the Schedule of Performance Information

ISC prepared the performance information in accordance with the following principles, except as otherwise described in the Schedule of Performance Information.

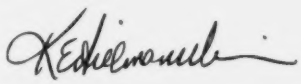
The performance information is related to stated objectives and performance targets and enables an assessment of the extent to which the objectives and targets are being achieved. It shows how results were achieved and how progress in achieving performance targets was measured.

The performance information is reliable. It is based on data that is accurate, complete and available over a long period of time and at a reasonable cost. It is derived from data that is fair and unbiased, and that is capable of being replicated by independent and knowledgeable observers.

The performance information provides the level of detail needed to enable a proper understanding of performance and is limited to a key set of performance measures that are comparable over time and are aggregated at appropriate and meaningful levels.



Jeff Stusek
President and Chief Executive Officer



Kathy Hillman-Weir
General Manager, Corporate Affairs and General Counsel

schedule of performance information

balanced scorecard for the year ended December 31, 2008

ISC's Balanced Scorecard (BSC) holds ISC accountable to our shareholder and the public and is a useful tool to report on corporate progress. Measures and targets are developed based on the strategic planning goals and objectives of ISC as well as the requirements of Crown Investments Corporation (CIC). Our 2008 BSC provides a "balanced" view of our achievements by evaluating the organization from four perspectives:

- ***People:*** Be recognized as the company that puts people first
- ***Customer:*** Continually enhance the customer experience
- ***Leadership, Image and Identity:*** Be leaders in executing, innovating and partnering / Building an image and identity that inspire trust and confidence
- ***Revenue, Growth and Profitability:*** Growing revenue through diversification while achieving fair and sustainable profit and return to shareholder

Improvements for 2008 aligned the BSC more closely with the ISC strategic plan, while still addressing and demonstrating ISC's contribution to the priorities of the Crown sector.

Our measures have changed over the past few years and will continue to evolve. ISC is continually seeking to improve our public reporting and, to that end, some measures are removed from our scorecard from one year to the next, while others are revised or added.

This six-year view of our Balanced Scorecard highlights the 2008 measures, targets and results and includes results from 2006 and 2007, which align with the current 2008 scorecard measures. It also outlines our current targets for 2009, 2010 and 2011 for those measures which align with the 2008 Balanced Scorecard.

The 2009 Balanced Scorecard was developed based on four corporate strategic goals for 2009 to 2013. It will once again align the measures and targets with the strategic plan. The 2009 to 2013 strategic goals were developed after considering customer and stakeholder needs, the environment in which the company operates, the company's accomplishments to date, the company's current situation and where the company is going in the future.

The 2009 Balanced Scorecard is provided following the 2008 results.

balanced scorecard for the year ended December 31, 2008

People

Be recognized as the company that puts people first

To create a performance driven, innovative and inclusive culture, we will:

- Ensure we have continual linkage of business strategy to our people strategy.
- Build an innovative talent management system that continuously addresses capability and capacity needs and ensures our people are our top priority.
- Embrace a total rewards philosophy that recognizes performance, retains key talent and provides ISC with a competitive advantage.

2006-2008 Targets Followed by Year-End Results
Target
Year-End Result

MEASURE	2006	2007	2008	2009	2010	2011
Implementation of innovative and progressive healthy workplace practices of the National Quality Institute, which focus on: physical environment and occupational health and safety; health and lifestyle practices; and workplace culture and supportive environment	Level II accreditation Application made Nov 2006; accreditation approved April 2007	Level II sustained; prepare for Level III application Level II sustained and preparing for Level III application	**Achievement of Progressive Excellence Program, Healthy Workplace Level III** **Deferred to 2009** [1]	Achievement of Progressive Excellence Program, Healthy Workplace Level 3	Sustain Progressive Excellence Program, Healthy Workplace Level 3	Achievement of Progressive Excellence Program, Healthy Workplace Level 4
Percentage of workforce that: • self identifies as a person of Aboriginal ancestry	2.0% 2.9%	6.0% 6.1%	**9.0%** **6.8%** [2]	10.0%	11.0%	12.0%
• self identifies as a person with a disability	2.0% 3.7%	4.0% 9.2%	**9.0%** **8.6%**	9.0%	9.0%	10.0%
• self identifies as a visible minority	2.0% 1.6%	2.0% 3.8%	**4.0%** **4.3%**	5.0%	5.0%	6.0%
• consists of women in management and executive positions	45% 52%	50% 54.3%	**50%** **62.5%**	*In 2009, will be replaced with "Percentage of women in under-represented occupational groups"*		
Percentage of employees who have completed bi-annual corporate cultural awareness training (minimum 1 day session)	*New in 2007*	100% 99.6%	**50%** **50.4%**	50% (100% cumulative over two-year period)	50%	50% (100% cumulative over two-year period)
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	*New in 2007*	18 20	**22** **23**	27	30	30
Rating of ISC as a youth-friendly organization, as measured by overall rating of employee engagement, satisfaction and cultural alignment, by employees aged 30 and under, through bi-annual employee survey	*New in 2008*		**3.73/5** **3.77/5**	*Removed from BSC*		
Financial expenditure for employee development, learning and succession planning initiatives as a percentage of straight time payroll expenditures	3.0% ($350,934) 3.4% ($401,892)	Minimum 3.0% ($410,000) 3.75% ($479,362)	**Minimum 3%** **($410,000)** **3.75%** **($519,762)**	Minimum 3%	Minimum 3%	Minimum 3%

[1] ISC is evaluating a plan being developed to achieve the minimum requirements of Level III in June 2009. However, further organizational readiness assessment may result in deferral beyond 2009 to ensure the company can fully implement and realize the benefits of the healthy workplace initiatives associated with Level III.

[2] Year-end results lower than targeted due to a lower volume of recruitments for the year, anticipated recruitments not proceeding and the corporation managing new and existing business with the same amount of employee resources.

balanced scorecard for the year ended December 31, 2008

Customer

Continually enhance the customer experience

- Improve and sustain customer satisfaction levels.
- Demonstrate quantitative and qualitative improvements in service delivery every year.
- Core products continuously improve and new innovative products are provided to customers.

2006-2008 Targets Followed by Year-End Results

Target
Year–End Result

MEASURE	2006	2007	2008	2009	2010	2011
Percentage of customers that are "satisfied" or "highly satisfied" as determined by customer survey	80.0% 90.5%	85.0% 95.0%	85% 89.7% [3]	95%	95%	95%
Average turnaround time for standard Land Registry transactions (business days)	2.5 2.55	2.5 2.58	2.5 0.84 [4]	2.5	2.0	2.0
Accuracy rate of land registration transaction processing	99.8% 99.4%	96.0% 98.1%	96.5% 97.1%	98%	98%	98%
Land registration packet examination acceptance rate	*New in 2007*	82.0% 81.4%	82% 82.9%	*Removed from BSC*		
Percentage of standard customer transactions received at ISC by electronic methods	*New in 2007*	94.0% 95.0%	95% 97.2%	95%	95%	95%
Percentage of Land Registry transactions submitted by customers using the Online Submission tool	64.0% 28.67%	53.0% 33.4%	36% 49.7%	*Removed from BSC*		
Number of innovative products and services launched for customers each year	*New in 2008*		3 2 [5]	*Removed from BSC*		

[3] Variance between results of 2007 and 2008 surveys may be explained largely by the difference in volume of completed responses between the two surveys. The 2008 survey findings are based on 464 completed online surveys, while the 2007 results were based on 100 telephone interviews. As a result, the margin of error for the 2008 results is +/- 3.57% as compared to the +/-9.8% of the 2007 study. Considering the proximity of the means and the low margin of error in 2008, the reduction in average customer satisfaction should not be perceived as an actual reduction of satisfaction, rather a more accurate representation of customer satisfaction.

[4] Volume increase has been matched closely by productivity improvements, attributed to a greater focus on performance management, adherence to service standards and Online Submission tool utilization by customers.

[5] Vital Statistics and GeoSask both launched by ISC in 2008. Work on an additional product/service began in 2008 but implementation will be delayed into 2009.

People

Be recognized as the company that puts people first

To create a performance driven, innovative and inclusive culture, we will:

- Ensure we have continual linkage of business strategy to our people strategy.
- Build an innovative talent management system that continuously addresses capability and capacity needs and ensures our people are our top priority.
- Embrace a total rewards philosophy that recognizes performance, retains key talent and provides ISC with a competitive advantage.

2006-2008 Targets Followed by Year-End Results

Target
Year-End Result

MEASURE	2006	2007	2008	2009	2010	2011
Implementation of innovative and progressive healthy workplace practices of the National Quality Institute, which focus on physical environment and occupational health and safety, health and lifestyle practices, and workplace culture and supportive environment	Level II accreditation Application made Nov 2006; accreditation approved April 2007	Level II sustained; prepare for Level III application Level II sustained and preparing for Level III application	Achievement of Progressive Excellence Program, Healthy Workplace Level III Deferred to 2009 [1]	Achievement of Progressive Excellence Program, Healthy Workplace Level 3	Sustain Progressive Excellence Program, Healthy Workplace Level 3	Achievement of Progressive Excellence Program, Healthy Workplace Level 4
Percentage of workforce that: • self identifies as a person of Aboriginal ancestry	7.0% 7.6%	8.0% 9.1%	9.0% 8.8% [2]	10.0%	11.0%	12.0%
• self identifies as a person with a disability	4.0% 3.7%	4.0% 5.7%	9.0% 8.6%	9.0%	9.0%	10.0%
• self identifies as a visible minority	2.0% 1.6%	2.0% 3.6%	4.0% 4.3%	4.0%	4.0%	6.0%
• surveys 1 women in management and executive positions	50% 57%	50% 53.4%	50% 62.5%	*In 2009 will be replaced with "Representation of women in under-represented occupational groups"*		
Percentage of employees who have completed bi-annual corporate cultural awareness training (minimum 1 day session)	Work in 2007	100% 66.6%	50% 50.4%	100% (100% cumulative over two-year period)	100%	100% (100% cumulative over two-year period)
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	Work in 2007	19 21	22 23	22	22	22
Rating of ISC as a youth-friendly organization, as measured by overall rating of employee engagement, satisfaction and cultural alignment, by employees aged 30 and under, through bi-annual employee survey	Work in 2008		3.73/5 3.77/5	Removed from ISC		
Financial expenditure for employee development, learning and succession planning initiatives as a percentage of straight time payroll expenditures	3.0% ($450,000) 3.4% $401,600	Minimum 3.0% ($410,000) 3.75% $479,760	Minimum 3% ($410,000) 3.75% ($519,762)	Minimum 3%	Minimum 3%	Minimum 3%

[1] ISC is evaluating a plan being developed to achieve the minimum requirements of Level III by June 2009. However, further organizational changes, announced by Health Canada beyond 2008 to ensure the company can fully implement and realize the benefits of the Healthy Workplace Initiative associated with Level III.

[2] Year-end results lower than targeted, due to a lower volume of recruitments for the year, anticipated recruitments not proceeding and the long-term employees who would normally backfill, are the same amount of employee transfers.

Customer

Continually enhance the customer experience

- Improve and sustain customer satisfaction levels.
- Demonstrate quantitative and qualitative improvements in service delivery every year.
- Core products continuously improve and new innovative products are provided to customers.

2006-2008 Targets Followed by Year-End Results
Target
Year-End Result

MEASURE	2006	2007	2008	2009	2010	2011
Percentage of customers that are "satisfied" or highly satisfied" as determined by customer survey	[illegible]	[illegible]	85% 89.7% [1]	[illegible]	[illegible]	[illegible]
Average turnaround time for standard Land Registry transactions (business days)	2.5 2.55	2.5 2.58	2.5 0.84 [2]	2.5	2.0	2.0
Accuracy rate of land registration transaction processing	[illegible]	[illegible]	96.5% 97.1%	98%	98%	98%
Land registration packet examination acceptance rate	New in 2007	[illegible]	82% 82.9%	*Removed from BSC*		
Percentage of standard customer transactions received at ISC by electronic methods	New in 2007	[illegible]	95% 97.2%	[illegible]	[illegible]	[illegible]
Percentage of Land Registry transactions submitted by customers using the Online Submission tool	[illegible]	[illegible]	38% 43.7%	*Removed from BSC*		
Number of innovative products and services launched for customers each year	New in 2008		3 2 [3]	*Removed from BSC*		

[1] Variance between results of 2007 and 2008 surveys may be explained largely by the difference in volume of completed responses between the two surveys. The 2008 survey findings are based on 364 completed online surveys, while the 2007 results are based on 1,000 telephone interviews. As a result, the margin of error for the 2008 results is +/- 3.57% as compared to the +/- 3.1% of the 2007 study. Considering the proximity of the margin of error in 2008, the reduction in average customer satisfaction should not be perceived as an actual reduction in satisfaction rather a more accurate representation of customer satisfaction.

[2] Average turnaround time was significantly lowered by the introduction of Service Level Agreements (SLAs) for all standard applications. Adherence to service standards and Online Submission tool (OS) efficiency contributed.

[3] Vital Statistics was not successfully launched by ISC in 2008. Due to [illegible] the launch was delayed until 2009. The initiative will be completed in 2009.

balanced scorecard for the year ended December 31, 2008

Leadership, Image and Identity

Be leaders in executing, innovating and partnering / Building an image and identity that inspire trust and confidence

- The entire organization will understand and live our Vision, Mission and Values.
- We will be a preferred customer of our suppliers and partners, who will build our capability and be involved and accountable to improving effectiveness and efficiency.
- Clarity and agility will exist in our planning to ensure strategic direction is clear and organization is aligned and excels at execution.
- We will continue to advance through the NQI Progressive Excellence Program.
- We will achieve excellence in governance.
- We will demonstrate sustained commitment to transparency, stewardship and accountability.
- ISC brand will have broader recognition and positive ratings from the public.

2006-2008 Targets Followed by Year-End Results
Target
Year-End Result

MEASURE	2006	2007	2008	2009	2010	2011
Overall rating of employee engagement, satisfaction and cultural alignment, as determined by bi-annual employee survey	3.5/5 Preparing to conduct survey using new measurement tool in 2007	Engagement 3.21/5; Cultural Alignment 3.28/5; Satisfaction 3.32/5 Engagement 3.5/5; Cultural Alignment 3.45/5; Satisfaction 3.47/5 Overall = 3.48/5	3.48/5 3.65/5	3.66/5	3.85/5	3.85/5
Value of goods and services purchased in Saskatchewan as a percentage of purchases	95.0% 95.6%	95.0% 87.1%	85% 87.5%[6]	85%	85%	85%
Implementation of innovative and progressive business excellence practices of the National Quality Institute, which focus on: identifying and satisfying customers' needs; developing and tapping the full potential of people; and improving key processes	Sustain Level II Level II accreditation confirmed and sustained	Level III accreditation Level II sustained	Re-achievement of Progressive Excellence Program, Business Excellence Level II Re-achievement of Progressive Excellence Program, Business Excellence Level II	Sustain Progressive Excellence Program, Business Excellence Level 2	Achievement of Progressive Excellence Program, Business Excellence, Level 3	Sustain Progressive Excellence Program, Business Excellence Level 3
Number of initiatives implemented in support of governance excellence	*New in 2008*		2 3	*Removed from BSC*		
Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of budgeted net income	*New in 2007*	Minimum 1.0% ($75,000) 1.3% ($95,123)	Minimum 1.5% ($213,000) 1.52% ($215,797)	Minimum 1.5%	Minimum 2%	Minimum 2%

[6] Methodology for calculating Saskatchewan purchases was amended after the 2007 targets were set and, as a result, methodology and targets were updated for 2008 and beyond.

balanced scorecard for the year ended December 31, 2008

Revenue, Growth and Profitability

Growing revenue through diversification while achieving fair and sustainable profit and return to shareholder

- Revenue growth from new products and services to new and existing customers.
- Meet or exceed annually established dividend payment targets.
- Sustainable financial health.

2006-2008 Targets Followed by Year-End Results

Target
Year–End Result

MEASURE	2006	2007	2008	2009	2010	2011
Annual revenue from new products and services	New in 2007	$2.5M $0.8M	**$1.7M** **$1.3M**	*Revised in 2009* [7]		
Core operating costs, excluding amortizatic interest year-over-year percentage change	*New measure, targets & methodology in 2008*		**6.2%** **7.9%** [8]	5.9%	5.6%	5.3%
Debt Ratio	94.3% 69.6%	65.7% 42.4%	**34.7%** **39.3%**	44.4%	42.2%	40.5%
Return on Assets	11.6% 19.5%	17.8% 51.7%	**32.0%** **53.2%** [9]	*Removed from BSC*		

[7] 2009 measure will be "Annual new growth revenue target" and includes new methodology for measurement of results.

[8] Year-end result is higher than expected due to increased costs in technology, merchant fees and professional services.

[9] ROA is higher than target as a result of larger net income due to higher revenues.

Leadership, Image and Identity

Be leaders in executing, innovating and partnering / Building an image and identity that inspire trust and confidence

- The entire organization will understand and live our Vision, Mission and Values.
- We will be a preferred customer of our suppliers and partners, who will build our capability and be involved and accountable to improving effectiveness and efficiency.
- Clarity and agility will exist in our planning to ensure strategic direction is clear and organization is aligned and excels at execution.
- We will continue to advance through the NQI Progressive Excellence Program.
- We will achieve excellence in governance.
- We will demonstrate sustained commitment to transparency, stewardship and accountability.
- ISC brand will have broader recognition and positive ratings from the public.

2006-2008 Targets Followed by Year-End Results

Target
Year-End Result

MEASURE	2006	2007	2008	2009	2010	2011
Overall rating of employee engagement, satisfaction and cultural alignment, as determined by bi-annual employee survey	3.5/5 Preparing to conduct survey with new measurement tools in 2007	Engagement 3.21 /5 Cultural Alignment 3.08/5 Satisfaction 3.32/5 Engagement 3.3/5 Cultural Alignment 3.1/5 Satisfaction 3.47/5 Overall - 3.4/5	3.48/5 3.69/5	3.68/5	3.68/5	3.68/5
Value-Added and services per Level IV support worker as a percentage of comparators	95/95 89/95	97/97 N/A	99/99 87.5/99	99/99	99/99	99/99
Implementation of Progressive Excellence practices of the National Quality Institute, which focuses on developing and surveying customers, benchmarking and tapping the full potential of people, and improving key processes	Baseline Level II Level III self-assessment completed and validated	Level III achieved in Level II sustained	Re-achievement of Progressive Excellence Program, Business Excellence Level II Re-achievement of Progressive Excellence Program, Business Excellence Level II	Sustain Progressive Excellence Program, Business Excellence Level II	Re-achievement of Progressive Excellence Program, Business Excellence Level II	Sustain Progressive Excellence Program, Business Excellence Level II
Number of virtual environments in which to operate excellence	Maintain 2006		2 3	Maintain 2008		
Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of published net income	Min. 0.75%	Minimum 1.0% ($7,116,000) 1.4% ($10,116)	Minimum 1.5% ($13,000,000) 1.52% ($13,197,000)	Minimum 1.5%	Minimum 1.5%	Minimum 1.5%

* Workshop for all building Saskatchewan was moved from 2007 to 2008 to align with the Progressive Excellence Program cycle and to allow time for the new measurement tools to be developed.

Revenue, Growth and Profitability

Growing revenue through diversification while achieving fair and sustainable profit and return to shareholder

- Revenue growth from new products and services to new and existing customers.
- Meet or exceed annually established dividend payment targets.
- Sustainable financial health.

2006-2008 Targets Followed by Year-End Results

Target
Year-End Result

MEASURE	2006	2007	2008	2009	2010	2011
Annual revenue from new products and services	New in 2007	$7.0M $3.8M	$1.2M $1.3M	Revised in 2009		
Core operating costs (excluding amortization interest) year-over-year percentage change	New measure Targets & methodology in 2008		6.2% 7.9%*			
Debt Ratio	41.3% 39.6%	69.7% 12.1%	34.7% 39.3%	44.4%		
Return on Assets	11.0% 10.6%	17.8% 51.7%	32.0% 53.2%†	Removed from BSC		

† 2008 includes write-off of Annual new growth revenue target - moved to new measure for measurement of results

* Actual result is higher than expected due to increased [illegible] and professional services

† N/A is higher than target as a result of large tax recovery [illegible]

People

ISC attracts, retains and invests in diverse, high performing, talented people who will ensure the company's success

MEASURE	TARGET				
	2009	2010	2011	2012	2013
1.1) Implementation of innovative and progressive healthy workplace practices of the National Quality Institute, which focus on: physical environment and occupational health and safety; health and lifestyle practices; and workplace culture and supportive environment	Achievement of Progressive Excellence Program, Healthy Workplace Level 3*	Sustain Progressive Excellence Program, Healthy Workplace Level 3	Achievement of Progressive Excellence Program, Healthy Workplace Level 4	Sustain Progressive Excellence Program, Healthy Workplace Level 4	Sustain Progressive Excellence Program, Healthy Workplace Level 4
1.2) Financial expenditure for employee development, learning and succession planning initiatives (percentage of straight time payroll expenditures)	Minimum 3%	Minimum 3%	Minimum 3%	Minimum 3%	Minimum 3%
1.3) Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	27	30	30	30	30
1.4) Overall rating of employee engagement, satisfaction and cultural alignment (bi-annual survey)	3.66 / 5	3.85 / 5	3.85 / 5	4.02 / 5	4.02 / 5
1.5) Percentage of employees who have completed bi-annual corporate cultural awareness training	50%	50%	50%	50%	50%
Percentage of workforce that:					
1.6) self identifies as a person of Aboriginal ancestry	10.0%	11.0%	12.0%	13.0%	14.0%
1.7) self identifies as a person with a disability	9.0%	9.0%	10.0%	11.0%	11.0%
1.8) self identifies as a visible minority	5.0%	5.0%	6.0%	6.0%	6.0%
1.9) consists of women in under-represented occupational groups	TBD	TBD	TBD	TBD	TBD

* At time of printing, the corporation is re-evaluating this target. Further organizational readiness assessment may result in deferral beyond 2009 to ensure the company can fully implement and realize the benefits of the healthy workplace initiatives associated with Level 3.

the 2009 balanced scorecard

Customer

ISC excels at the development and delivery of services and solutions that meet the needs of customers

MEASURE	TARGET				
	2009	2010	2011	2012	2013
2.1) Percentage of customers that are "satisfied" or "highly satisfied" as determined by customer survey	95%	95%	95%	95%	95%
2.2) Accuracy rate of land registration transaction processing	98%	98%	98%	98.5%	98.5%
2.3) Percentage of standard customer transactions received at ISC by electronic methods, excluding Vital Statistics	95%	95%	95%	95%	95%
2.4) Average turnaround time for standard Land Registry transactions	2.5 business days	2.0 business days	2.0 business days	2.0 business days	2.0 business days
2.5) Implementation of innovative and progressive business excellence practices of the National Quality Institute, which focus on: identifying and satisfying customers' needs; developing and tapping the full potential of people; and improving key processes	Sustain Progressive Excellence Program, Business Excellence Level 2	Achievement of Progressive Excellence Program, Business Excellence, Level 3	Sustain Progressive Excellence Program, Business Excellence Level 3	Achievement of Progressive Excellence Program, Business Excellence, Level 4	Sustain Progressive Excellence Program, Business Excellence Level 4

Financial

ISC will balance profit, investment and returns to stakeholders, to maximize long-term contribution to the province

MEASURE	TARGET				
	2009	2010	2011	2012	2013
3.1) Annual new growth revenue target	$2.3M	$5.2M	$7.4M	$9.4M	$10.1M
3.2) Core operating costs, excluding amortization and interest: year-over-year percentage change	5.9%	5.6%	5.3%	4.6%	2.2%
3.3) Growth operating costs, excluding amortization and interest: % of total operating costs	7.1%	12.8%	16.5%	19.2%	20.0%
3.4) Return on Equity	100.4%	77.7%	64.1%	57.2%	62.0%
3.5) Debt Ratio	44.4%	42.2%	40.5%	39.0%	37.5%

Community

ISC makes a positive contribution to the social, environmental and economic well being of Saskatchewan*

MEASURE	TARGET				
	2009	2010	2011	2012	2013
4.1) Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of budgeted net income	Minimum 1.5%	Minimum 2%	Minimum 2%	Minimum 2%	Minimum 2%
4.2) Value of goods and services purchased in Saskatchewan as a percentage of purchases	85%	85%	85%	85%	85%
4.3) Value of goods and services purchased from the Aboriginal community	$200,000	$200,000	$200,000	$300,000	$300,000

* In 2009, ISC will be developing strategies and supporting actions enabling benefits realization relative to reduction in paper output of registry notices to customers. These strategies and actions will include establishing aggressively sustainable BSC measures for 2010 and beyond, along with a measurement methodology that can be applied consistently over the period.

People

ISC attracts, retains and invests in diverse, high performing, talented people who will ensure the company's success

MEASURE	TARGET				
	2009	2010	2011	2012	2013
1.1) Implementation of innovative and progressive healthy workplace practices of the National Quality Institute, which focus on: physical environment and occupational health and safety; health and lifestyle practices; and workplace culture and supportive environment	Achievement of Progressive Excellence Program, Healthy Workplace Level 3*	Sustain Progressive Excellence Program, Healthy Workplace Level 3	Achievement of Progressive Excellence Program, Healthy Workplace Level 4	Sustain Progressive Excellence Program, Healthy Workplace Level 4	Sustain Progressive Excellence Program, Healthy Workplace Level 4
1.2) Financial expenditure for employee development, learning and succession planning initiatives (percentage of straight time payroll expenditures)	Minimum 3%	Minimum 3%	Minimum 3%	Minimum 3%	Minimum 3%
1.3) Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	27	30	30	30	30
1.4) Overall rating of employee engagement, satisfaction and cultural alignment (bi-annual survey)	3.66 / 5	3.85 / 5	3.85 / 5	4.02 / 5	4.02 / 5
1.5) Percentage of employees who have completed bi-annual corporate cultural awareness training	50%	50%	50%	50%	50%
Percentage of workforce that:					
1.6) self identifies as a person of Aboriginal ancestry	10.0%	11.0%	12.0%	13.0%	14.0%
1.7) self identifies as a person with a disability	9.0%	9.0%	10.0%	11.0%	11.0%
1.8) self identifies as a visible minority	5.0%	5.0%	6.0%	6.0%	6.0%
1.9) consists of women in under-represented occupational groups	TBD	TBD	TBD	TBD	TBD

* At time of printing, the corporation is re-evaluating this target. Further organizational readiness assessment may result in planned phased 2009 transition to company-wide fully implemented and full-on the benefits of the healthy workplace initiatives associated with level 3.

Customer

ISC excels at the development and delivery of services and solutions that meet the needs of customers

MEASURE	TARGET				
	2009	2010	2011	2012	2013
2.1) Percentage of customers that are "satisfied" or "highly satisfied" as determined by customer survey	95%	95%	95%	95%	95%
2.2) Accuracy rate of land registration transaction processing	98%	98%	98%	98.5%	98.5%
2.3) Percentage of standard customer transactions received at ISC by electronic methods, excluding Vital Statistics	92%	95%	95%	95%	95%
2.4) Average turnaround time for standard Land Registry transactions	2.0 business days	2.0 business days	2.0 business days	2.0 business days	2.0 business days
2.5) Implementation of innovative and progressive business excellence practices of the National Quality Institute, which focus on: identifying and satisfying customers' needs; developing and tapping the full potential of people; and improving key processes	Sustain Progressive Excellence Program, Business Excellence Level 2	Achievement of Progressive Excellence Program, Business Excellence, Level 3	Sustain Progressive Excellence Program, Business Excellence Level 3	Achievement of Progressive Excellence Program, Business Excellence, Level 4	Sustain Progressive Excellence Program, Business Excellence, Level 4

Financial

ISC will balance profit, investment and returns to stakeholders, to maximize long-term contribution to the province

MEASURE	TARGET				
	2009	2010	2011	2012	2013
3.1) Annual new growth revenue target	$3.6M	$5.2M	$7.4M	$9.4M	$10.1M
3.2) Core operating costs, excluding amortization and interest; year-over-year percentage change	0.9%	5.0%	5.3%	4.6%	2.2%
3.3) Growth operating costs, excluding amortization and interest; % of total operating costs	7.1%	12.8%	16.5%	19.2%	20.6%
3.4) Return on Equity	70.4%	72.3%	64.1%	57.2%	62.0%
3.5) Debt Ratio	44.4%	42.2%	40.5%	39.0%	37.5%

Community

ISC makes a positive contribution to the social, environmental and economic well being of Saskatchewan*

MEASURE	TARGET				
	2009	2010	2011	2012	2013
4.1) Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of budgeted net income	Minimum 1.5%	Minimum 2%	Minimum 2%	Minimum 2%	Minimum 2%
4.2) Value of goods and services purchased in Saskatchewan as a percentage of purchases	83%	85%	85%	85%	85%
4.3) Value of goods and services purchased from the Aboriginal community	$700,000	$700,000	$700,000	$700,000	$700,000

* In 2009, ISC will be developing strategies and supporting a baseline evaluation regarding environmental reduction in paper output of regularly mailed to customers. These strategies and actions will include establishing aggressively sustainable ISC measures for 2010 and beyond, along with a measurement methodology that can be applied consistently over the years.

Understanding and managing risk is important to ISC's success. Since 2004, ISC has been identifying risks that may impact the corporation's ability to achieve its goals and objectives and implementing processes to manage those risks. With the overall goal of ensuring the integrity of its registries and protecting shareholder value, risks are assessed according to the likelihood of occurrence and in terms of the impact the event would have on the corporation. A risk assessment session is conducted with senior management, resulting in a prioritized risk portfolio for the corporation. Once the highest risks are identified, they are reviewed and validated by the Audit and Finance Committee and approved by the Board of Directors. The resulting risk profile becomes a key input into both the corporate strategic planning process and Internal Audit's risk-based audit plan. This process assists in creating and supporting consistent risk awareness throughout the corporation.

In 2008, ISC focused risk management efforts on the key risk exposures that could have the highest impact on corporate success. These included:

- ***Strategic Alignment Risk*** – building a clear and aligned vision and mandate through developing strategic relationships, encouraging customer feedback and striving to build corporate image within the community;
- ***Cost Management and Revenue Execution Risk*** – reducing costs and achieving revenue targets through effective planning and financial management practices resulting in a business plan that is relevant and achievable. A key element of ISC's ability to achieve the plan is an effective and flexible product and business development strategy including business intelligence and research;
- ***Project Risk*** – mitigating project-related risk through the implementation of a project office, which includes the design, development and implementation of a consistent methodology and process for identification and realization of benefits harvested from projects; and
- ***Employee Satisfaction/Capacity and Succession Risk*** – attracting and retaining a skilled, diverse and youth-friendly workforce through consistent, relevant performance and talent management practices, including:
    - succession planning;
    - employee feedback benchmarking, measuring and monitoring; and
    - implementation of a National Quality Institute healthy workplace program.

In 2009, ISC will continue to evaluate its risk profile and ensure that appropriate strategies are in place to mitigate risk and take advantage of opportunities created. Risk tolerances will be further defined and communicated throughout the corporation to create a consistent framework for decision making. Risk management will continue to play a key role in the strategic and audit planning processes as ISC monitors the impact the downturn in the economy may have on its business.

Authority and Mandate

About ISC

Information Services Corporation (ISC) is the provincial Crown corporation responsible for the administration of land titles, geographic information systems (GIS), vital statistics, surveys, mapping and interests in personal property.

ISC was formed as a corporation in January 2000, but has a history that predates the province itself. ISC provides valued customer-focused services such as the Land Registry, the Saskatchewan Personal Property Registry (SPPR), the Survey Plan Registry, the Vital Statistics Registry and Geomatics services to customers inside and outside of Saskatchewan.

Land Registry

The Land Registry issues titles and registers transactions affecting titles, including changes of ownership and registration of interests against land. This public registry supports economic growth in Saskatchewan by providing reliable and accessible land ownership information.

Saskatchewan Personal Property Registry (SPPR)

The SPPR is a public registry that facilitates commercial transactions in the province of Saskatchewan. It ensures that records of interests in personal property are searchable and available to the public and supports the priority and enforcement of these interests.

Vital Statistics

The Vital Statistics Registry moved to ISC from the Ministry of Health in October 2008. The primary purpose of the Vital Statistics Registry is to register and record births, stillbirths, adoptions, deaths, marriages (including divorces and annulments) and changes of name for the province of Saskatchewan. The transfer provides benefits to customers and the public by leveraging ISC's competencies in registry modernization and customer service.

Geomatics

The land surveys directory is a public registry that contains provincial legal survey plans and survey monument information created since the province began, which is used as a foundation for the description of parcels for the Land Registry.

- ***Geographic Information System (GIS)*** – ISC is the custodian of the Provincial GIS Cadastral Base Map for Saskatchewan. The integrated base map provides the digital geospatial depiction of parcels of land and their shape and location.
- ***Map and Photo*** – ISC offers a wide array of digital and hard copy maps and photo imagery for professional and customer use.

Legislation

The following legislation guides the actions and operations of the company in the delivery of our major lines of business:

- *The Land Titles Act, 2000;*
- *The Land Surveys Act, 2000;*
- *The Condominium Property Act, 1993;*
- *The Personal Property Security Act, 1993,*
- *The Vital Statistics Act, 1995;* and
- *The Change of Name Act, 1995.*

Both the Minister of Crown Corporations and the Minister of Justice share the administration of the legislation noted above, along with the following related statutes:

- *The Land Information Services Facilitation Act;*
- *The Alberta-Saskatchewan Boundary Act, 1939;*
- *The Manitoba-Saskatchewan Boundary Act, 1937;*
- *The Manitoba-Saskatchewan Boundary Act, 1942;*
- *The Manitoba-Saskatchewan Boundary Act, 1966;*
- *The Manitoba-Saskatchewan Boundary Act, 1978;*
- *The Saskatchewan Northwest Territories Boundary Act, 1966;*
- *The Land Surveyors and Professional Surveyors Act;* and
- *The Vital Statistics Administration Transfer Act.*

ISC shares responsibility with the Ministry of Justice and Attorney General for the public policy underlying the land, survey, personal property and vital statistics registries. The Registrar of Titles, Controller of Surveys, Registrar of Personal Property Security and Registrar of Vital Statistics are the statutory officials responsible for the alignment of service delivery with the legislative requirements as well as the quality, accuracy and integrity of services provided. The Registrar of Titles, Registrar of Vital Statistics and Controller of Surveys are accountable to the Minister of Justice and Attorney General in their roles as custodians and stewards of the provincial land and personal property registration, vital statistics and survey systems. ISC is also responsible for the public policy associated with legal and geodectic surveys and cadastral mapping.

Board of Directors

Role of the Board

The Board functions as steward of the corporation and has statutory authority and an obligation to oversee the affairs and business of the corporation. While the fundamental accountability of the Board is to act in the best interest of the corporation, the Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance, taking into account the public policy responsibilities of the corporation. In carrying out its responsibilities, the Board brings external and public perspectives to help guide ISC. The Board has a responsibility to ensure that the corporation operates to the highest ethical and moral standards and that procedures are in place to ensure statutory and legal responsibilities are met, an effective corporate compliance program has been established and corporate documents and records are properly prepared, approved and maintained.

The Board's principal duties and responsibilities are set out in the Terms of Reference. The Terms of Reference for the Board and the Board's committees are reviewed annually and are made public on the ISC website.

Board Composition

In 2008, ISC's Board was comprised of eight members whose varied skills and attributes included law, accounting and private business experience.

ISC's 2008 Board of Directors consisted of:

- Grant Gayton, Regina (Chair);
- Susan Barber, Q.C., Regina (Vice-Chair);
- Chief Alphonse Bird, Prince Albert;
- John Boquist, Kindersley;
- Gerald Fiske, Regina;
- Larry Hiles, Regina;
- Kevin Stangeland, Swift Current; and
- Brad Sylvester, Saskatoon.

Board members are appointed by the Lieutenant Governor in Council. The Board Chair and Vice-Chair are also designated by the Lieutenant Governor in Council.

Board Committees

To assist the Board in meeting its responsibilities, the Board has created and delegated certain responsibilities to three committees of the Board. Each committee has its own Terms of Reference outlining its authority in respect of each of its areas of functional responsibilities.

The Audit and Finance Committee:

The Audit and Finance Committee assists the Board in fulfilling its obligations and oversight responsibility for:

- corporate and financial performance;
- ensuring the integrity and transparency of financial and other external reporting by ISC;
- risk management and internal controls;
- managing the business relationship with the External Auditor; and
- other matters related to ISC's accounting policies, reporting practices and internal controls.

In 2008, the Audit and Finance Committee members were: Larry Hiles (Chair), Kevin Stangeland (Vice-Chair), Brad Sylvester and John Boquist.

The Governance Committee:

The Governance Committee assists the Board in fulfilling its obligations and oversight responsibility for:

- developing and recommending exemplary corporate governance practices applicable to the Board;
- advising the Board on issues relating to ethics and potential conflicts of interest;
- identifying and recommending candidates for appointment to the Board and Board committees; and
- the annual review of the performance of the Board and various committees of the Board.

In 2008, the Governance Committee members were: Gerald Fiske (Chair), Brad Sylvester (Vice-Chair), Susan Barber and Larry Hiles.

The Human Resources Committee:

The Human Resources Committee assists the Board in fulfilling its obligations and oversight responsibility for people strategies, including the following areas of functional responsibilities:

- recruitment, appointment, goal setting, performance management and succession planning for CEO;
- structure of executive responsibilities and executive succession planning;
- in-scope and out-of-scope compensation and benefit packages, including performance compensation;
- key frameworks and policies related to people management such as talent management, succession planning and performance management; and
- monitoring the corporation's health, safety and workplace environmental practices.

In 2008, the Human Resources Committee members were: Susan Barber (Chair), John Boquist (Vice-Chair), Gerald Fiske and Alphonse Bird.

Board Attendance

The ISC Board of Directors held nine meetings in 2008. The following are the attendance statistics for 2008 Board meetings:

Grant Gayton, Chair	9 of 9
Susan Barber, Vice-Chair	7 of 9
Alphonse Bird	4 of 9
John Boquist	9 of 9
Gerald Fiske	9 of 9
Larry Hiles	8 of 9
Kevin Stangeland	5 of 9
Brad Sylvester	9 of 9

Board Compensation

Non-government Board members are paid an annual honorarium and per diem. Payments are in accordance with the Crown Investments Corporation's Remuneration Schedule for meetings and activities undertaken on behalf of the Board, as well as any related expenses incurred such as travel, accommodation or meals. During 2008 there were 21 meetings of the Board and its three committees.

The Crown Investments Corporation Remuneration Schedule as it applies to the ISC Board is outlined below:

Chair Retainer	$6,500
Member Retainer	$5,000
Chair Meeting Fee	$ 600
Committee Chair Meeting Fee	$ 550
Member Meeting Fee	$ 500

Board Governance Practices and Management Standards

In 2005, the Canadian Securities Administrators (CSA) National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices came into effect. Although these CSA Guidelines are not prescriptive in the Crown sector, ISC, along with other Saskatchewan Crown corporations, has chosen to benchmark our corporate governance practices against the standard established by the CSA Guidelines. The following describes ISC's governance practices against the CSA Corporate Governance Guidelines.

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2008	Consistent with Guideline?
Composition of the Board		
3.1 The Board should have a majority of independent directors.	The matter of independence from management is based upon the definition set by Canadian Securities Administrators and utilized by publically-traded companies in the industry. None of the directors have been employed by the corporation, or have direct material contracts or relationships with the corporation, or directly receive remuneration from the corporation in excess of the fees and compensation as directors and committee members of the corporation. In 2008, seven of the eight directors were independent from management: • Grant Gayton, Chair • Alchimist Bird • John Brainust • Gerald Fiwer • Larry Hills • Kevin Sturgeland • Brad Sylvester One director, Susan Barber (Vice-Chair), is a partner in a law firm that performed legal services to the corporation in 2008, and is thereby deemed to have a material indirect relationship with the corporation under the above standard. This was declared by this director on appointment, and measures were established by ISC and the law firm to reassign existing ISC work to another lawyer in the firm and to wall off information involved in the firm to the director about ISC legal work. The corporation's shareholder (Crown Investments Corporation – CIC) has also managed this issue through the development of a protocol regarding lawyers serving on CIC Subsidiary Crown Corporation Boards of Directors. This protocol adopts the principle that directors must be free from any material relationship that may interfere with the director's ability to exercise independent judgment in the best interests of the corporation or influence the choice of law firms. Given the smaller local market in Saskatchewan for legal services, the protocol instructs directors from any direct material relationship, but allows a limited indirect relationship subject to the qualifications of the protocol such as the approval of new legal services by an Executive Management Committee reporting to the Governance Committee of the Board, declarations of conflict, no direct benefit to the director, and restriction of information to that director. The ISC Board directed that ISC Executive Management vet the provision of any new work to the law firm of an ISC Board member with the caveat that the Governance Committee receive reports highlighting any protocol activity initiated by ISC Executive Management. All other directors of ISC's Board are independent of management.	Substantially
3.2 The Chair of the Board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as lead director. However, either an independent chair or an independent lead director should act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.	In 2008, Grant Gayton was the Chair of the Board and was an independent director.	Yes
Meetings of Independent Directors		
3.3 The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	Board and committee agendas include in-camera segments during which management is excluded and may include meetings with external, internal and financial auditors. In-camera minutes are not made available to members of management.	Yes
Board Mandate		
3.4 The Board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for: (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer, the CEO and other	The Board and its three committees (Audit and Finance, Human Resources and Governance) all have written terms of reference setting out their functional responsibilities and authority, reporting responsibilities and composition criteria. The Boards Terms of Reference explicitly state: "The Board of Directors functions as steward of the corporation, and has statutory authority and an obligation to oversee the affairs and business of the corporation."	Yes

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2008	Consistent with Guideline?
Board Mandate (continued)		
executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving on at least an annual basis a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) the identification of the principal risks of the issuer's business and ensuring the implementation of appropriate systems to manage these risks; (d) succession planning (including appointing, training and monitoring senior management); (e) adopting a communication policy for the issuer; (f) the issuer's internal control and management information systems; and (g) developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer. The written mandate for the Board should also set out (i) measures for receiving feedback from stakeholders (e.g. the Board may wish to establish a process to permit stakeholders to directly contact the independent directors); and (j) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.	Responsibilities of the Board and its committees outlined in their respective terms of reference include: • ensuring the integrity of the CEO and other executive officers and the integrity of all of the corporation's employees; • approving the setting of the corporation's long-range strategic direction and annually approving the corporation's five-year strategic goals; • approving the identification and assessment of, and mitigation plans to address, the corporation's principal risks; • approving the succession plan for the CEO and monitoring the succession plan for other executive officers; • approving the corporation's external communications framework and monitoring the corporation's communication strategies; • monitoring the corporation's framework of internal controls and management information systems; and • Board governance guidelines and practices. The expectations and responsibilities of directors are set out in the Board-approved guidelines entitled "Expectations for Directors of ISC Boards."	
Position Descriptions		
3.5 The Board should develop clear position descriptions for the Chair of the Board and the Chair of each Board committee. In addition, the Board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management's responsibilities. The Board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.	The Board has developed position descriptions for the Chair of the Board and for the Chair of each committee. The Board has approved a position description for the President and CEO that includes responsibilities of the President and CEO. The Human Resources Committee and the Board annually review and approve the goals and objectives of the CEO to ensure alignment with the strategic direction of the corporation. In addition to the Terms of Reference for the Board and each committee, annual management responsibilities and specific areas of functional responsibility.	Yes
Orientation and Continuing Education		
3.6 The Board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees as well as the contribution individual directors are expected to make, including, in particular, the commitment of time and resources that the issuer expects from its directors. All new directors should also understand the nature and operation of the issuer's business.	An outline is provided to any Board member who has questions on the role of the Board and its committees, special responsibilities and information about corporate history, strategic direction, operations and challenges. Extensive written documentation is also provided to supplement orientation sessions. Current Board members who were newly appointed to ISC's Board in 2007 and received orientation should be at the beginning of their term and further educational updates will provided throughout the year.	Yes
3.7 The Board should provide continuing education opportunities for all directors so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.	All Board members are invited to participate in the Board training sessions offered by the Ocean Investments Corporation (OIC). OIC also arranges and advises on training programs providing the most recent publications and articles around corporate governance for directors.	Yes
Code of Business Conduct and Ethics		
3.8 The Board should adopt a written code of business conduct and ethics (a code). The code should be applicable to directors, officers and employees of the issuer. The code should state that compliance with the code is mandatory, designed to promote integrity and to deter wrongdoing. In particular, the code should address the following issues:	The Board adopted the Code of Conduct & Conflict of Interest policy that is applicable to ISC's executive officers and employees. The policy provides direction on business conduct, use of corporate information and property, personal investment and confidentiality. The policy also addresses the duties and responsibilities of individual behaviour.	Yes

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2008	Consistent with Guideline?
Code of Business Conduct and Ethics (continued)		
(a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest; (b) protection and proper use of corporate assets and opportunities; (c) confidentiality of corporate information; (d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees; (e) compliance with laws, rules and regulations; and (f) reporting of any illegal or unethical behaviour.	In addition to ISC's code, the Board members must comply with GIC's Directors' Code of Conduct, which is applicable to all directors of its subsidiary GIC-Inv boards.	
3.9 The Board should be responsible for monitoring compliance with the code. Any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the Board (or a Board Committee) only.	The Board's Governance Committee acts as ethics advisor to the Board. In this role, the committee monitors and reports to the Board on compliance with the code.	Yes
Nomination of Directors		
3.10 The Board should appoint a Nominating Committee composed entirely of independent directors.	The Governance Committee is responsible for identifying and recommending candidates for appointment to the Board and committees. In 2008, three of four members of the Governance Committee were independent directors. One Governance Committee member, Stuart Battle, is a partner in a law firm that performed legal services for the corporation in 2008, and is thereby deemed to have a material indirect relationship with the corporation. See related commentary re Guideline 3.1.	Substantially
3.11 The Nominating Committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. In addition, the Nominating Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	The Governance Committee's terms of reference set out the committee's authority in specific areas of functional responsibility, reporting requirements, delegation principles and composition criteria. The Governance Committee may engage necessary advisors.	Yes
3.12 Prior to nominating or appointing individuals as directors, the Board should adopt a process involving the following steps: (a) Consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board should recognize that the particular competencies and skills required for one issuer may not be the same as those required for another; (b) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the Board. Instead, the Board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may significantly determine the boardroom dynamic. The Board should also consider the appropriate size of the Board, with a view to facilitating effective decision-making. In carrying out each of these functions, the Board should consider the advice and input of the Nominating Committee.	The Governance Committee is responsible for developing and recommending to the Board competencies and skills criteria which set out the qualifications for Board membership as a whole as well as for specific vacancies. The Governance Committee annually reviews the size, composition and required capabilities of the Board with a view to facilitating effective decision-making and provides recommendations to the Board.	Yes
3.13 The Nominating Committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meetings of shareholders.	The Governance Committee has an ongoing responsibility to identify potential candidates for Board membership. Board members are appointed by the Lieutenant Governor in Council.	Yes

CSA National Policy 58-201 Corporate Governance Guidelines	ISC Governance Practices – 2008	Consistent with Guideline?
Nomination of Directors (continued)		
3.14 In making its recommendations, the Nominating Committee should consider: a. the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; b. the competencies and skills that the Board considers each existing director to possess; and c. the competencies and skills each new nominee will bring to the boardroom. The Nominating Committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.	The Governance Committee is responsible for developing and recommending to the Board competencies and skills criteria which set out the qualifications for Board membership as a whole, as well as for specific vacancies. Board members are appointed by the Lieutenant Governor in Council.	Yes
Compensation		
3.15 The Board should appoint a Compensation Committee composed entirely of independent directors.	The Human Resources Committee is responsible for reviewing in-scope and out-of-scope employee compensation and benefits packages, including performance compensation. Committee Chair, Susan Barber, is a partner in a law firm that performed legal services for the corporation in 2008, and is therefore deemed to have a material indirect relationship with the corporation. (See related commentary re: Guideline 3.1.)	Substantially
3.16 The Compensation Committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board. In addition, the Compensation Committee should be given authority to engage, and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	The Human Resources Committee's Terms of Reference set out the Committee's authority in specific cases of functional responsibility, reporting requirements, delegation principles and compensation criteria. The Human Resources Committee may engage necessary advisors.	Yes
3.17 The Compensation Committee should be responsible for: a. reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation; and b. making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and c. reviewing executive compensation disclosure before the issuer publicly discloses this information.	The Human Resources Committee is responsible for: • developing, in collaboration with the CEO and the Board, the CEO's annual goals and performance objectives and, in collaboration with the Board, annually evaluating the CEO's performance in light of those goals and objectives; and • reviewing and making recommendations to the Board respecting the Crown Sector executive compensation and benefits structure. Executive and employee compensation disclosure occurs in the form of the annual payee list, which is recommended to the Board by the Audit and Finance Committee and publicly disclosed through tabling with the Crown and Central Agencies Committee of the legislature. In addition, under *The Crown Employment Contracts Act*, the CEO, vice-presidents and senior managers and report directly to the CEO are required to file their employment contract details with the Clerk of the Executive Council.	Yes
Regular Board Assessments		
3.18 The Board, its committees and each individual director should be regularly assessed regarding their effectiveness and contribution. An assessment should consider: a. in the case of the Board or a Board committee, its mandate or charter; and b. in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.	Evaluations are conducted with the assistance of the CEO, Corporate Secretary, Board Chair and committee chairs. Evaluations, plus director peer assessments are targeted to occur on a two-year cycle, as per CSA guidelines. The Governance Committee is responsible for conducting such evaluations and reporting results to the Board.	Yes



Jeff Stusek
President and Chief Executive Officer



Ken Budzak
Vice-President, Operations



Bryan Burnett
Vice-President, Marketing and Business Development



Charlene Gavel
Vice-President, Finance and Administration



Kathy Hillman-Weir
General Manager, Corporate Affairs and General Counsel



300 - 10 Research Drive, Regina, SK S4S 7J7
Toll free: 1-866-275-4721
www.isc.ca